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INFORMATION ONLY

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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE **20 FEBRUARY 1953**

DECKET #	EDIENN SHI	PMENTS OF AL	RAB CRUDE	OIL TO ISRAEL
(TS,	S/S, INFO	ONLY, Beirut	: 1505, 13	Feb 53)
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Egyptian intelligence closely follows events in Israel and will probably learn of these clandestine shipments. In that case, the angry Arab reaction will be directed not only at the companies but, in the opinion of Ambassador Minor, may be extended to all oil companies and even other foreign investments in the Arab states. Minor believes that the relatively small advantage accruing to Israel from these transactions is too high a price to pay for the risk of further damaging relations with the Arabs.

In their boycott of Israel, the Arab states have been particularly anxious to make it difficult for that country to procure oil. Iraq has stopped the flow of oil through its pipelines to the Haifa refinery, thus losing several million dollars in revenue annually. Egypt has denied the use of the Suez Canal to any ship carrying oil for Israel.

Public Arab knowledge that its boycott, recently intensified as a result of Arab League action, is in effect being counteracted by Western oil companies might provoke the Arab states to some retaliatory action.

State Dept. review completed

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Document he. __ No Change in Class. ||25**|**X1 / Declarated Class. Changed To:

25X6

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